



**STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES**

ANDREW JACKSON BUILDING, 6th FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243

BILL HASLAM
GOVERNOR

MARIE WILLIAMS
COMMISSIONER

February 1, 2018

The Honorable Bill Haslam, Governor
State Capitol
Nashville, Tennessee 37243

Dear Governor Haslam:

This letter serves as the annual report as required by TCA § 9-4-5404 pertaining to the Federal Block Grants under the purview of the Federal Block Grant Act of 1994. The time period covered by this letter extends from July 1, 2016 to June 30, 2017. The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) receive two Block Grants administered through the Substance Abuse and Mental Health Services Administration (SAMHSA), an agency of the Federal Department of Health and Human Services as follows: the Substance Abuse Prevention and Treatment Block Grant (approximately \$32M) and the Mental Health Services Block Grant (approximately \$10M).

Block Grant dollars provide support for individuals diagnosed with serious mental illness, children diagnosed with serious emotional disturbance, and individuals diagnosed with substance abuse disorders. The Substance Abuse Prevention and Treatment Block Grant are designed to pay for direct services not covered by insurance and other third-party payors for the treatment and prevention of substance abuse disorders. The Mental Health Services Block Grant is designed to pay for mental health services not covered by insurance and other third-party payors. For the preponderance of Mental Health Services Block Grant expenditures, services are ancillary and not the direct counseling and psychiatric care presently covered under TennCare and other third-party payors.

The United States Congress, the President, and SAMHSA established allocations and priority service areas for the expenditure of federal Block Grant funding. A plan for Block Grant spending is submitted every two years by TDMHSAS and reports are submitted annually to SAMHSA regarding the utilization of Block Grant dollars from the prior fiscal year.

TDMHSAS administers a Statewide and Regional Council system that acts in an advisory and advocacy capacity to the Commissioner and the Governor and conducts an annual needs assessment (by Region for each of the seven planning regions) pertaining to the mental health and substance abuse service delivery system in Tennessee. Needs are then prioritized, approved by the Statewide Council, and submitted to the Commissioner and TDMHSAS staff.

Following the completion of the needs assessment, TDMHSAS develops the Three-Year Plan and conducts Block Grant planning and contracting, based on need, the Customer Focused Government Goals for the year, existing programming, and funding availability.

As required by TCA § 9-4-5403, the following principles for the time period aforementioned have received the attention of TDMHSAS staff and leadership:

1. Minimizing harmful impacts on current programs, current and potential recipients of assistance, local governments, nonprofit agencies and the state economy.

In FY 2017, TDMHSAS received additional Mental Health Block grant funding in the amount of \$566,650. This additional funding included an increase for the First Episode Psychosis Initiative (FEPI) set-aside, bringing the total set-aside amount to \$1,089,250.

Tennessee's First Episode Psychosis Initiative (FEPI) started in FY2014. TDMHSAS has chosen to implement the OnTrackNY model, which was developed through the Recovery After an Initial Schizophrenia Episode (RAISE) Connection Program. This model utilizes the Coordinated Specialty Care (CSC) evidence-based practice to provide early intervention services for youth and young adults experiencing a first episode of psychosis. Treatment is provided by a team of mental health professionals who focus on helping individuals work toward personal goals and lead full and productive lives. More broadly, the CSC model helps individuals navigate the road to recovery from a first episode of psychosis, including supporting efforts to function well at home, at work or school, and in the community. The CSC program includes the following components: individual and group psychotherapy, supported employment and education, family education and support, psychopharmacology, and care coordination and management. There are a total of three OnTrackTN sites: Northwest Tennessee, Nashville, and Memphis.

2. Ensuring formal and informal participation of concerned citizens, regulated industry or other entities, environmental groups, religious organizations, nonprofit agencies and service providers and their clients/consumers and board members and local government officials in proposed reorganizations and new priority decisions, so that their experience may be used creatively by state decision makers.

The Statewide and Regional Council system is comprised of service recipients and family members of recipients, providers, advocates and interested persons. Federal law also mandates a number of related-agency staff members who are appointed to the Statewide Council by virtue of the office held. The Regional Councils provide information to the Statewide Council for deliberation and consideration. There is also input from non-members who regularly attend meetings from organizations serving consumers, substance abuse providers, mental health providers and organizations, and managed care organizations. All Plans and Reports submitted to the Governor, State Legislature and federal government are reviewed, edited, and endorsed by the Council.

3. Providing the above-reference groups and categories of citizens with full and prompt access to information on new policy and funding and program organization related to block grant and federal devolution of authority.

Information is provided to Council members during the Statewide and Regional Council Meetings; an Executive Staff Report which includes TDMHSAS activities and projects, data resources on the TDMHSAS website; and a Department Update is provided at each Regional meeting.

Programs funded by Block Grant dollars are reviewed and carefully managed. They include: programming for children's services; early intervention and prevention services for substance abuse programs; evidence-based early intervention and prevention services for substance abuse programs; evidence-based early intervention programming for young people experiencing a first episode of psychosis; peer-to-peer services; suicide prevention; screening for youth who are involved in the criminal justice system; support for older adults; support for individuals transitioning out of or into different living situations; support for recovery courts; and in-home services for at-risk pregnant and post-partum women.

Should you have questions, please feel free to contact me at 615-532-6503.

Sincerely yours,



Marie Williams, LCSW
Commissioner

cc: Senator Rusty Crowe, Chair, Health and Welfare Committee of the Senate
Senator Steve Dickerson, Chair, Finance Investigations and Oversight Subcommittee of the Senate
Senator Steve Southerland, Chair, Energy, Agriculture and Natural Resources Committee of the Senate
Senator Bo Watson, Chair, Finance Ways and Means Committee of the Senate
Representative Curtis Halford, Agriculture and Natural Resources Committee of the House of Representatives
Representative Charles Sargent, Chair, Finance, Ways and Means Committee of the House of Representatives
Representative Cameron Sexton, Chair, Health Committee of the House of Representatives
Catherine Haire and Cathy Higgins, Legislative Office of Budget Analysis
Jim Layman, TDMHSAS Legislative Liaison & Rules Coordinator
Kurt Hippel, TDMHSAS Assistant Commissioner, Planning, Policy and Legislation